MART

RETAILING

4
Just A Minute!

6
Cover Story:
57 Great deals, products and money makers
Mart asked retailers, distributors and manufacturers for money making ideas and products. Here is the list we compiled

17
Kis targets the horizontal market
Now mass merchants can Kis and sell too

HOME ELECTRONICS

19
CD ripple effect has sales humming
Increased exposure for the format has increased interest across the board

20
Typewriters tout their margin for error
There's even one that will look up a word in the dictionary for you

22
The best movie club in America?
Over 7,000 selections, free popcorn and countless promotions keep Movies Unlimited on the fast track

31
Electronics/ Appliance balancing act
Phil & Jim seem to have pulled it off

Video software report	**28**
Nady cuts the cord	**29**
Amiga dealers courted amid software questions	**30**
Protins push for dealers	**33**

APPLIANCES

34
Bet on built-ins for the upscale market
Versatility and a clean unobtrusive look have built up built-ins

38
The impact of imports
Off shore makers gain a foothold that shows no sign of abating

40
Whirlpool 'leadership transition' plan prompts promotions
Executive appointments and changes in organizational structure are announced

AHAM clears the air	**35**
WCI eyes commercial refrigerator market	**41**
Aerostat gives appliances a lift	**42**
Fedders re-enters the dehumidifier market	**42**

BPA ABP

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Video Software Report:

Kidvid deluge sends prices tumbling

The proliferation of product aimed at children has turned into a veritable deluge. Prices continue their downward sprial as new players continue to emerge on the scene. The category, which accounts for roughly 10 percent of the video retail dollar volume, is widely positioned as a "collectable with considerable sell-through potential. The availability of existing programs coupled with the interest "kidvid" has generated has made for something of glut that could trigger further price erosion.

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Warner's release next month of nine cassettes featuring over 70 cartons starring Bugs Bunny and friends, for example, represents the company's most extensive single release of family programming. The $19.98 price tag on each of the hour-long cassettes reflects not only the company's attempt to sell the tape to consumers but the increasingly fierce competition for the kidvid dollar. If $20 seems like rock-bottom pricing, it's not. Public domain (PD) specialist Cayre Industries (*His Girl Friday*, et. al.) will market tapes in their new Kid's Classics line for $9.95.

The new line, featuring the likes of Cinderella and Daniel Boone, will be marketed to mass merchants, toy stores and, of course, video specialty outlets.

Another area of children's programming that continues to grow by leaps and bounds stems from the growing concern over missing or abused children. Walt Disney recently held a press conference in New York City to announce a made-for-video program entitled *Too Smart for Strangers* ($29.95). Situations involving children and adults are dramatized in the 40-minute cassette, and the young viewers are asked what they would do in the same predicament. Winnie the Pooh explains the importance of safety awareness throughout the tape which is geared toward youngsters ages 3-10.

Praised for its sensitivity by a variety of child advocacy groups, the tape has also won the support of John & Reve Walsh, whose son Adam was found murdered two weeks after he disappeared in 1981. Flanked by U.S. Senator Paula Hawkins, Congressman Tom Lewis and Matilda Cuomo, wife of the New York Governor, John Walsh told of the importance of such a tape and of his appreciation for Walt Disney's effort.

The made-for-TV movie about the Walsh's child is also being released on video. *Adam* is available from USA Home Video ($59.95) and features a special message from the Walshes made specifically for the cassette. Both Disney and USA have vowed to donate a small portion of the profit to child advocacy groups.

Vestron's kidvid line, Children's Video Library is offering a tape described by the company as being the first original live-action home video celebration for children: *It's Your Birthday Party! With Rainbow Brite and Friends*. The first original production from the CVL, the tape is also being marketed with a line of party goods, greeting cards and accessories and is designed specifically for a child's birthday party as it combines games, songs and an animated story line. Priced at $59.95, the tape also is the first home video program to be carried by the 3,000 Hallmark stores nationwide.

Market share race tightens

CBS/Fox, RCA/Columbia and Vestron are reported to hold the top three slots in video software market share for the first six months of 1985. The rankings, reported by industry newsletter *Video Week*, suggest that the market has grown tighter with only two percentage points separating five of the top six firms. The top six and their market share during the first six months of the year are reported as follows:

CBS/Fox	**15%**
RCA/Columbia	**11%**
Vestron	**11%**
MGM/AU	**10%**
Warner	**9.3%**
Paramount	**9%**

(source: *Video Week*)

Ratings sought on music videos

A move to confront the explicit contents of some rock albums may also affect certain music videos. A petition by the Parents Music Resource Center seeks to include rating on videos as well as albums. PMRC says it wants a rating of "X" for profanity or sexually explicit lyrics; "D/A" for the glorification drugs or alcohol; "O" for lyrics concerned with the occult; and "V" for lyrics which glorify violence. In a letter to Pam Howar, president of PMRC, the president of the Recording Industry of America, Stanley M. Gortikov, said the recording artist routinely has control over the contents and that the desire for multiple rating symbols is unnecessary since "it should make no difference to a given parent desiring to 'protect' his or her child whether a given recording contains sexually explicit material (requiring a rating of "X") or violent material (requiring a rating of "V").

"Weird Al" released by CBS/Fox

Other new titles being released include a somewhat weird made-for-video music program introduced at a press conference in New York by CBS/Fox in early August. *The Complete Al*, starring "Weird Al" Yankovic is a 97-minute compilation of the musical comic's popular videos (A spoof of *Beat It* called *Eat It* and a more recent effort, *Like A Surgeon*, that spoofs Madonna's hit song). The tape also is an "almost-true" life story of the satirist described as "beginning with the time he was just a small fetus ... up through his present-day bout with super-stardom." Priced to sell at $29.98, the cassette will be the subject of in-store POP and an ad campaign centering on the theme: "Catch the Buzz!"

Key Video, a division of CBS/Fox, is kicking off a consumer promotion for its new cassette, *Heavenly Bodies*. The "Show Us Your Favorite Heavenly Bodies Sweepstakes" will invite shoppers to fill out an entry form at retail outlets and send it along with a photograph to Key Video. Deadline for entries is Nov. 15, 1985. Winners will be selected by a random drawing. The grand prize, valued at nearly $5,000, includes a trip for two to a movie shooting. One hundred runners-up will receive a copy of the movie sound track album. The retailer whose name also appears on the winning ticket will receive a five-day trip for two to Hollywood, CA including hotel accommodations, limousine service and expenses.

"Weird Al" Yankovic stars in a new long-form, made-for-video release from CBS/fox. The Complete Al, featuring the musical comic's parodies of popular rock tunes, lists for $29.98.

The movie stars Cynthia Dale as a mother and secretary who attempts to open a workout club only to have a wealthy competitor try and steal her business. Dale, scantly clad in alluring exercise attire, is the subject of the POPs used to promote the movie and sweepstakes. The 99-minute hi fi cassette is priced at $79.98.

Paramount Home Video and Pioneer Artists have teamed up to release a number of videos that simply feature beautiful scenery and soft music. The "Windham Hill Videos" will be available in both video cassette ($29.95) and in LaserDisc ($24.95). The first two cassettes, *Water's Path* and *Western Light* are due out this month while the remaining two of the foursome, *Autumn Portrait* and *Winter*, will follow. Described by Paramount Senior Vice President Tim Clott as "a new genre of video entertainment," the cassettes were produced in conjunction with Windham Hill Records, a Palo Alto, CA-based record company with a reputation for high quality recordings.

MCA's October line up includes the comedy-adventure *Gotcha!* An all-American College Student (Anthony Edwards) finds romance and international intrigue on a trip to Europe. When he returns to his campus, he finds the KGB hot on his heels. The 97-minute cassette lists for $79.95.

Also new from MCA is a comedy spoof called: *Martin Mull Presents the History of White People in America*. Martin Mull (*Mr. Mom; Mary Hartman*) takes a shop at middle-America stereotypes with the help of Fred Willard and Mary Kay Place. The 48 minutes' worth of satire is listed at $24.95. The company is also resurrecting the 1932 classic: *The Mummy*. The 72-minute black and white movie lists for $39.95 and joins *Dracula* and *Frankenstein* in the MCA catalog.□

Al Stewart

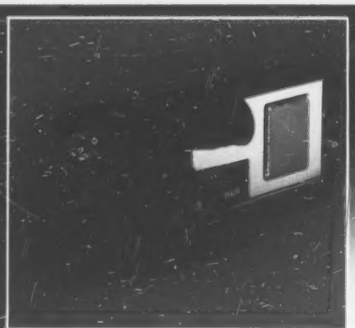
MART

APPLIANCES

Under-the-cabinet microwave with a drop-down door leads a parade of new appliance

TELECOMMUNICATIONS

TAD's and phone/TAD combination units are shaping up as telephone's hot category



HOME ELECTRONICS

The battle [illegible] VHS [illegible]

VIDEO SOFTWARE

Video makers 'Desperately Seeking Sales' as [illegible] catalog is pushed at VSDA 'Sellabration'

COMPUTER

ACCESSORIES
A GOLDEN OPPORTUNITY FOR PROFIT

BONUS: Christmas Catalog from Babbit

MART
Business Ideas for Today's Retailers and Distributors

4
Just a minute!

HOME ELECTRONICS

5
Taking the laser beyond Schubert and Springsteen
The technology that redefined hi-fi may revolutionize other areas of consumer electronics

6
Format wars: VHS makers ready for the challenge
RCA and Sony trade salvos as 8mm product begins roll-out

8

Plea for greater sales effort heads list of issues at VSDA
Turning video dealers from librarians into salesmen emerged as the prime focus of the convention

10
High-end sales: An element of class
Upscale is on the upswing and all retailers can learn from upmarket specialists

CD research study 12
Distributor's Florida CES 12
People 13

RETAILING

14

Cover Story: Accessory to Success
Often overlooked, accessories' big margins are creating big interest

Selling the high-ticket accessory 16
What's hot for the holidays 17
Polygraph usage stirring controversy 20

APPLIANCES

21
Mild summer cools air conditioner sales
High shipment figures misleading in face of generally weak sell-through

24
Dishwasher sales will soar — Olinger
In an interview, KitchenAid's president forecasts 5 million units in 1988

27
Magic Chef does some muscle flexing
Company takes the wraps off over 100 new products

New Hunter air conditioner line 21
Dealers get a dishwasher they can whisper about 26
Appliance power use plummets 28
People 28

TELECOMMUNICATIONS

30
Sony answers telecom call again
CE maker targets the high end of the market with a new line of phones

33
"Mr. Headset" heads in new direction
ACS looks to promote headsets to consumers

34

GTE's Robinson sees light at the end of telephone's tunnel
Firm's vp/gm cites stabilizing phone market and strong TAD sales

European ingenuity in portable answering device 30
Offbeat phones eye strong 4th quarter 31

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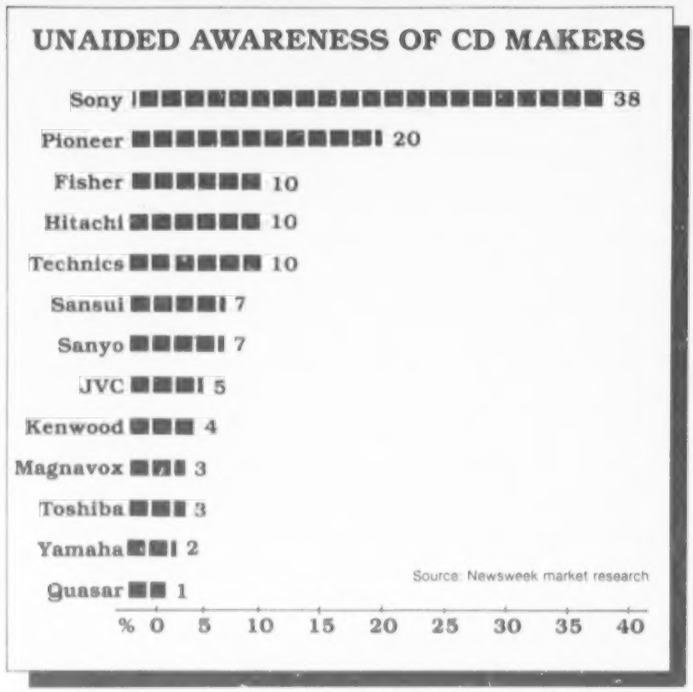
Research study shows CD ownership doubling within year

Sound quality cited as more important than practicality and durability by future purchasers



Base: Respondents who say they intend to purchase a CD within the next 12 months.

Note: Several companies which were not on the list of those studied also received unaided mention. These include Panasonic (11%), RCA (7%), GE (3%) and Zenith (2%).

A study of the Compact Disc market commissioned by the Newsweek Market Research department indicates that CD sales are expected to at least double within one year, even at current price levels.

"CD's are being called one of the most revolutionary new audio products since the invention of the phonograph," says Steve Wholley, Newsweek Consumer Electronics ad manager. "Eventually, they are expected to significantly affect the way America listens to music."

The study, *The Compact Disc Market*, indicates that as the price of CD's drop, purchases could increase four- or five fold — up to at least 800,000 CD's by mid-1986. Depending on the scope and effectiveness of marketing programs, the total could be as high as 1,800,000 units. However, the study also shows that key barriers to future CD purchases include consumer satisfaction with present audio systems and the current high cost of CD's. Less important factors are previously-purchased records and tapes or concerns about software availability.

Most likely, early buyers will be the better-educated and more affluent segment of the stereo-owning market who are predisposed to technology and home entertainment. This particularly includes people who are concerned with owning state-of-the-art equipment, either for its own sake or for the status it imparts. In fact, better sound and other music-playing attributes are expected to affect CD purchase more than practicality, durability and convenience.

Among its findings, the report provides information concerning: the relationship of the CD to the audio market in general, a segmentation of the market based on attitudes and CD awareness and projected market growth.

To complete this study, ASK Associates, Inc., an independent research firm, conducted 1,045 telephone interviews with a nationally representative sample of U.S. stereo-owning households in April. The report is available from the Advertising Resource Center, Newsweek, 444 Madison Avenue, New York, NY 10022 for $50.

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Distrib holds his own "CES" in Florida

For four days, retailers mingled with manufacturers as the latest in video and audio technology was exhibited. There was much discussion over pricing, availability and future trends. Deals were cut, shipments were scheduled and few attendees walked away disappointed. Sounds like CES — right? Well it was, only this CES was held in Southern Florida and tailored toward dealers doing business with Babbit distributors.

The "mini-CES" drew some 1,500 people including representatives from a number of prominent consumer electronics firms and buyers from many of the large department store chains throughout the surrounding area. The resulting barrage of orders has kept Babbit's trucks delivering well into the evening and has inspired the eight year old distributorship to expand beyond it's immediate geographic area and court dealers across the country.

"We've arranged the show in such a way that it truly is suited to the buyers," explains Sol Steinmetz, Babbit's chairman of the board. "And our aisles were busier than those at the CES in Las Vegas," adds Steinmetz, who with his son Robert, is chiefly responsible for coordinating over 85 million of inventory in three warehouses in Florida.

As major distributor for Sharp Electronics, Cobra phones and Sanyo white goods, Babbit has grown dramatically over the past few years. This year, Sol Steinmetz asserts, they will increase their business by 30 percent over last year with much of the business driven by fourth quarter Christmas sales. "We've been able to position ourselves as a distributor who can handle dealers who are doing some last-minute Christmas purchasing. We can ship the merchandise the same day it is ordered."

Steinmetz also stresses the wide-ranging availability of merchandise listed in their 40-page catalog and notes that the proximity of his office gives him a leg up on the competition. "We're not far from the water, so once merchandise comes over (from Japan) we can get it pretty fast and don't have to pay to have it shipped very far. The moment it lands we get it."

While its attempt to gain national recognition is largely an effort to attract large chain store clients "that will make our buying power even stronger," according to Steinmetz, Babbit representatives point out that they are by no means adverse to dealing with smaller, independent chains.

Among the reasons for obtaining electronics goods from Babbit, Steinmetz asserts, is the mini-CES held four times a year. Though reluctant to furnish details of some of the special orders made at the show, Steinmetz assures that some "incredibly good deals were made."

— Al Stewart